



Subject: An Important Step Forward for Big Lots

To Our Valued Business Partners,

Today, we are taking additional steps to further strengthen our business and deliver on our promise to be the leader in extreme value, which will make us an even stronger partner to you.

In recent years, Big Lots has faced challenges due to record inflation and high interest rates post-pandemic, which have impacted consumer spending. To address this, we have focused on owning the bargain space by offering a larger assortment of new and exciting extreme bargains, and providing exceptional value to customers, guided by our Five Points Forward strategic business plan. Your partnership and contributions to our progress are greatly appreciated.

To further implement our business strategy and accelerate our profitability, we recently entered into a sale agreement with Nexus Capital Management LP, which has agreed to acquire substantially all of our assets and business operations. Nexus is an investment firm that partners with companies and their teams to create long-term value. They have invested in a number of companies across industries, including consumer-facing companies such as FTD, Toms, Mav Beauty, and Dollar Shave Club.

Nexus believes in our business and our potential, and with the financial stability they provide, we will improve our long-term performance and profitability.

To facilitate the sale process, we initiated Chapter 11 proceedings, which will make Nexus' offer subject to higher or otherwise better bids. To be clear – Chapter 11 is a legal tool that enables companies to restructure their finances or implement agreements while transitioning ownership and strengthening positioning with vendors as they continue operating. It does **not** mean that we are going out of business. If Nexus is selected as the winning bidder, we anticipate closing the transaction during the fourth quarter of 2024 and intend to emerge as a stronger, more profitable organization with new ownership.

Given the importance of our partnership, we wanted to emphasize the following points about what the protections of the Chapter 11 process mean for you:

- **We expect to pay our vendors in full for goods delivered and services provided after the filing.**
- **We expect to have sufficient liquidity to meet our business obligations during this process.** We have secured commitments for new financing from certain of our current lenders. With approval from the Court, we expect this financing, coupled with cash generated from our ongoing operations, to support business operations during the sale process.
- **Our stores and e-commerce site continue to operate.** We are relying on you to continue providing the products and services we need to support our customers and drive our mutual success.



Court filings and other information related to the proceedings, including instructions on how to file a Proof of Claim for amounts outstanding as of the filing, are available on a separate website administrated by the Company's claims agent, Kroll Restructuring Administration LLC, at <https://cases.ra.kroll.com/BigLots>, by calling toll-free at (844) 217-1398 (or +1 (646) 809-2073 for calls originating outside of the U.S. or Canada), or by sending an email to biglotsinfo@ra.kroll.com.

Additional information regarding the Company's restructuring and sale process is available at a dedicated website, bigstepforbiglots.com.

We intend to move through this process quickly and aim to provide you with updates as we reach key milestones. If you have any questions, you can reach out to your normal Company contact.

We value our relationship with you and look forward to continuing to work together as we strengthen our business and take steps to return to our roots, focused on owning the extreme bargain space and delivering extreme value to our customers.

Thank you for your continued support of Big Lots!

Sincerely,
Bruce Thorn, President & CEO